General Assembly

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Sixty-first session
Agenda item 51 (*c*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/61/420/Add.3)*]

61/188. External debt crisis and development

The General Assembly,

Recalling its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004 and 60/187 of 22 December 2005 on external debt crisis and development,

Recalling also the International Conference on Financing for Development and its outcome,[1] which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

Recalling further the United Nations Millennium Declaration adopted on 8 September 2000,[2]

Recalling the 2005 World Summit Outcome,[3]

Recalling also its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Recalling further its resolution 57/270 B of 23 June 2003,

Noting with satisfaction the improvement in the external debt situation of developing countries as a group in the course of the past year, but concerned that there remains a number of low- and middle-income developing countries that are still facing difficulties in finding a durable solution to their external debt problems, which could adversely affect their sustainable development,

Welcoming the fact that the Heavily Indebted Poor Countries Initiative has enabled heavily indebted poor countries to markedly increase their expenditures on health, education and other social services consistent with national priorities, development plans, and internationally agreed development goals, including the Millennium Development Goals,

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[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[2] See resolution 55/2.

[3] See resolution 60/1.

Welcoming also the Multilateral Debt Relief Initiative,[4] which will enable a marked increase in expenditures on health, education and other social services consistent with national priorities and development plans by heavily indebted poor countries,

Stressing the importance of addressing the challenges of those heavily indebted poor countries that are facing difficulties in reaching the completion point under the Heavily Indebted Poor Countries Initiative, and expressing concern that some heavily indebted poor countries continue to face substantial debt burdens and need to avoid rebuilding unsustainable debt burdens after reaching the completion point under the Initiative,

Emphasizing that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability to the efforts to achieve national development goals, including the Millennium Development Goals, and that countries should direct those financial resources freed through debt relief, in particular through debt reduction and cancellation, towards activities consistent with poverty eradication, sustained economic growth and sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Convinced that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in those countries,

1. *Takes note* of the report of the Secretary-General;[5]

2. *Emphasizes* the special importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, since debt financing and relief can be an important source of capital for economic growth and development;

3. *Also emphasizes* that creditors and debtors must share responsibility for preventing unsustainable debt situations;

4. *Reiterates* that debt sustainability depends on a confluence of many factors at the international and national levels, emphasizes that country-specific circumstances and the impact of external shocks should be taken into account in debt sustainability analyses, underscores the fact that no single indicator should be used to make definitive judgements about debt sustainability, and, in this regard, while acknowledging the need to use transparent and comparable indicators, invites the International Monetary Fund and the World Bank, in their assessment of debt sustainability, to take into account fundamental changes caused by, inter alia, natural disasters, conflicts and changes in global growth prospects or in the terms of trade, especially for commodity-dependent developing countries, and to continue to provide information on this issue using existing cooperation forums, including those involving Member States;

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[4] Debt relief under the two initiatives is expected to reduce the debt stocks of the 29 heavily indebted poor countries that have reached the decision point by almost 90 per cent. "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) — Status of Implementation", prepared by the staffs of the International Development Association and the International Monetary Fund (August 2006).

[5] A/61/152.

5. *Underlines* the fact that the long-term sustainability of debt depends, inter alia, on the economic growth, mobilization of domestic resources and export prospects of debtor countries and, hence, on the creation of an enabling international environment conducive to development, progress in following sound macroeconomic policies, transparent and effective regulatory frameworks and success in overcoming structural development problems;

6. *Welcomes* the introduction of the Multilateral Debt Relief Initiative,[4] and calls for its full and timely implementation and the provision of additional resources to ensure that the financial capacity of the international financial institutions is not reduced;

7. *Emphasizes* in this regard that debt relief does not replace other sources of financing;

8. *Urges* donors to ensure that their commitments to the Multilateral Debt Relief Initiative and the Heavily Indebted Poor Countries Initiative be additional to existing aid flows, and underlines that full compensation by donors on the basis of fair burden-sharing for the Multilateral Debt Relief Initiative costs of relevant financial institutions is essential;

9. *Notes with concern* that, in spite of the progress achieved, some countries that have reached the completion point of the Heavily Indebted Poor Countries Initiative have not been able to achieve lasting debt sustainability, stresses the importance of promoting responsible borrowing and lending and the need to help those countries to manage their borrowing and to avoid a build-up of unsustainable debt, including through the use of grants and concessional loans, underscores the importance of the joint Debt Sustainability Framework of the International Monetary Fund and the World Bank for low-income countries in helping to ensure that new borrowing in post-Multilateral Debt Relief Initiative countries does not undermine their long-term debt sustainability, looks forward to the review of the Framework, and encourages the application of the improved Framework in lending and borrowing decisions;

10. *Welcomes and encourages* the efforts of the heavily indebted poor countries, calls upon them to continue to improve their domestic policies and economic management, inter alia, through poverty reduction strategies, and to create a domestic environment conducive to private-sector development, economic growth and poverty reduction, including a stable macroeconomic framework, transparent and accountable systems of public finance, a sound business climate and a predictable investment climate, and in this regard invites creditors, both private and public, who are not yet fully participating in the Heavily Indebted Poor Countries Initiative to substantially increase their participation in the delivery of debt relief, and invites the international financing institutions and the donor community to continue to provide adequate and sufficiently concessional financing;

11. *Stresses* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with poverty eradication, sustained economic growth and sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals, and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards those objectives;

12. *Calls for* the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based financing,

cancellation of 100 per cent of the official multilateral and bilateral debt of heavily indebted poor countries and, where appropriate, and on a case-by-case basis, significant debt relief or restructuring for low- and middle-income developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative, as well as the exploration of mechanisms to comprehensively address the debt problems of those countries;

13. *Encourages* the Paris Club, in dealing with the debt of low- and middle-income debtor countries that are not part of the Heavily Indebted Poor Countries Initiative, to take into account their medium-term debt sustainability in addition to their financing gaps, and takes note with appreciation of the Evian approach of the Paris Club in providing terms of debt relief tailored to the specific needs of debtor countries while preserving debt cancellation for heavily indebted poor countries;

14. *Stresses* the need to significantly address debt problems of middle-income developing countries, and in this regard stresses the importance of the Evian approach of the Paris Club as a practical means to address this issue;

15. *Invites* creditors and debtors to continue to use, where appropriate and on a case-by-case basis, mechanisms such as debt swaps for alleviating the debt burden of low- and middle-income developing countries with an unsustainable debt burden that are not eligible for the Heavily Indebted Poor Countries Initiative, and takes note of the discussions and assessment by the Paris Club of the proposal for "Debt for Equity in Millennium Development Goal Projects";

16. *Stresses* the need to continue to take effective measures, preferably within the existing frameworks, to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed by least developed countries to creditors, both public and private;

17. *Reiterates* its invitation to the World Bank and the International Monetary Fund to keep the overall implications of the debt sustainability framework for low-income countries under review, calls for transparency in the computation of the country policy and institutional assessments, and takes note of the disclosure of the country performance ratings of the International Development Association that form part of the framework;

18. *Notes* that credit rating agencies play an important role in determining countries' access to international capital markets and the cost of such borrowing, and, in this regard, calls upon the international financial and banking institutions to consider enhancing the transparency of risk rating mechanisms, and notes that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis;

19. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their efforts to increase bilateral grants to developing countries, which could contribute to debt sustainability in the medium to long term, and recognizes the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability;

20. *Welcomes* the efforts of, and calls upon, the international community to provide flexibility, and stresses the need to continue those efforts in helping post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;

21. *Welcomes also* the efforts of, and invites, creditors to provide flexibility to developing countries affected by natural disasters on a case-by-case basis so as to allow them to address their debt concerns;

22. *Welcomes further* the efforts of, and calls upon, the international community to support institutional capacity-building in developing countries for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies;

23. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to continue cooperation in respect of capacity-building activities in developing countries in the area of debt management;

24. *Calls upon* all Member States and the United Nations system, and invites the Bretton Woods institutions and the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those related to the question of the external debt problems of developing countries;

25. *Requests* the Secretary-General to submit to the General Assembly at its sixty-second session a report on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt situation and debt-servicing problems of developing countries;

26. *Decides* to include in the provisional agenda of its sixty-second session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "External debt crisis and development".

83rd plenary meeting
20 December 2006

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Agenda item 51 (*d*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/61/420/Add.4)*]

61/189. International Year of Natural Fibres, 2009

The General Assembly,

Noting resolution 3/2005 of the Conference of the Food and Agriculture Organization of the United Nations, adopted on 25 November 2005,[1]

Noting also that the diverse range of natural fibres produced in many countries provides an important source of income for farmers, and thus can play an important role in contributing to food security and in eradicating poverty and hence in contributing to the achievement of the Millennium Development Goals,

1. *Decides* to declare 2009 the International Year of Natural Fibres;

2. *Invites* the Food and Agriculture Organization of the United Nations to facilitate the observance of the Year, in collaboration with Governments, regional and international organizations, non-governmental organizations, the private sector and relevant organizations of the United Nations system, and also invites the Food and Agriculture Organization of the United Nations to keep the General Assembly informed of progress made in this regard;

3. *Calls upon* Governments and relevant regional and international organizations to make voluntary contributions and to lend other forms of support to the Year;

4. *Invites* non-governmental organizations and the private sector to make voluntary contributions to and to support the Year;

5. *Encourages* all Governments, the United Nations system and all other actors to take advantage of the Year in order to increase awareness of the importance of these natural products.

83rd plenary meeting
20 December 2006

[1] See *Report of the Conference of the Food and Agriculture Organization of the United Nations, Thirty-third Session, Rome, 19-26 November 2005* (C 2005/REP).

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Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/61/420/Add.4)*]

61/190. Commodities

The General Assembly,

Recalling its resolution 59/224 of 22 December 2004, and stressing the urgent need to ensure its full implementation,

Recalling also the United Nations Millennium Declaration adopted by Heads of State and Government on 8 September 2000,[1] the 2005 World Summit Outcome adopted on 16 September 2005[2] and its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals, and the other internationally agreed development goals,

Recalling further the International Conference on Financing for Development and its outcome,[3]

Recalling the Plan of Implementation of the World Summit on Sustainable Development,[4]

Recalling also the Programme of Action for the Least Developed Countries for the Decade 2001–2010[5] and the outcome of the high-level meeting of the sixty-first session of the General Assembly on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001–2010, held in New York on 18 and 19 September 2006,[6] and taking note of the *Least Developed Countries Report, 2004*,[7]

[1] See resolution 55/2.

[2] See resolution 60/1.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[5] A/CONF.191/13, chap. II.

[6] See resolution 61/1.

[7] United Nations publication, Sales No. E.04.II.D.27.

Taking note of the Arusha Declaration and Plan of Action on African Commodities adopted at the African Union Conference of Ministers of Trade on Commodities, held in Arusha, United Republic of Tanzania, from 21 to 23 November 2005,[8] and endorsed by the Executive Council of the African Union at its eighth ordinary session, held in Khartoum from 16 to 21 January 2006,[9]

Taking note also of the reports of the Trade and Development Board on its fifty-third session, held in Geneva from 27 September to 2 October and on 10 October 2006,[10] and its twenty-third special session, held in Geneva from 8 to 11 May, from 12 to 15 June and from 3 to 10 October 2006,[11]

Recognizing that many developing countries are highly dependent on primary commodities as their principal source of export revenues, employment, income-generation and domestic savings, and as the driving force of investment, economic growth and social development,

Deeply concerned that, despite the recent increase in some commodity prices, the causes underlying the declining price trend in other commodities have not been addressed, including supply capacity problems, difficulties with effective participation in value chains and lack of diversification of their production and export base, all of which prevent many developing countries from obtaining full benefits from the current positive conditions,

Recognizing that trade in commodities is a fundamental component of international trade,

Taking note of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit[12] and the outcome document of the World Food Summit: five years later,[13] which reaffirms the pledge to end hunger and poverty,

1. *Reiterates* the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development, while continuing with diversification efforts in commodity-dependent developing countries;

2. *Recalls* the potential of regional integration and cooperation to improve the effectiveness of traditional commodity sectors and support diversification efforts;

3. *Recognizes* that developed countries account for two thirds of non-fuel commodity imports, and expresses the urgent need for supportive international policies and measures to improve the functioning of the commodity markets through efficient and transparent mechanisms, including commodity exchanges;

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[8] African Union, document AU/Min/Com/Decl.Rev.1.

[9] See A/60/693, annex II, decision EX.CL/Dec.253 (VIII).

[10] A/61/15 (Part IV). For the final text, see *Official Records of the General Assembly, Sixty-first Session, Supplement No. 15*.

[11] A/61/15 (Part III). For the final text, see *Official Records of the General Assembly, Sixty-first Session, Supplement No. 15*.

[12] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS 96/REP), part one, appendix.

[13] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit: five years later, 10-13 June 2002*, part one, appendix; see also A/57/499, annex.

4. *Reiterates* the importance of expanded South-South trade and investment in commodities;

5. *Emphasizes* the need for efforts by the developing countries that are heavily dependent on primary commodities to continue to promote a domestic policy and an institutional environment that encourage diversification and liberalization of the trade and export sectors and enhance competitiveness;

6. *Reaffirms* that each country has primary responsibility for its own economic and social development, and recognizes that an effective enabling environment at the national and international levels entails, inter alia, a sound macroeconomic framework, competitive markets, clearly defined property rights, an attractive investment climate, good governance, the absence of corruption and well-designed regulatory policies that protect the public interest and generate public confidence in market operations;

7. *Also reaffirms* the commitments made in the Doha Ministerial Declaration,[14] the Hong Kong Ministerial Declaration[15] and the decision of the General Council of the World Trade Organization of 1 August 2004[16] to meaningfully integrate the developing and the least developed countries into the multilateral trading system, and calls for the successful and timely completion of the Doha round of trade negotiations with the full realization of the development dimensions of the Doha Work Programme;

8. *Expresses concern* over the suspension of the Doha round of trade negotiations, and calls for their early resumption and successful development-oriented outcome adhering fully to the agreed mandate in the Doha Ministerial Declaration, the Framework adopted by the General Council of the World Trade Organization in its decision of 1 August 2004 and the Hong Kong Ministerial Declaration;

9. *Calls upon* developed countries and developing countries declaring themselves in a position to do so to provide duty-free and quota-free market access on a lasting basis for all products originating from all least developed countries, consistent with the Hong Kong Ministerial Declaration;

10. *Encourages* developing countries, with the necessary support of donor countries and the international community, to formulate specific commodity policies so as to contribute to the facilitation of trade expansion, the reduction of vulnerability and the improvement of livelihood and food security, by:

(*a*) Creating an enabling environment that encourages the participation of rural producers and small farmers;

(*b*) Continuing the diversification of the commodity sector and enhancing its competitiveness in developing countries that are heavily dependent on commodities;

(*c*) Increasing technology development and improving information systems, institutions and human resources;

11. *Stresses* that the adoption or enforcement of any measures necessary to protect human, animal and plant life or health should not be applied in a manner that

[14] See A/C.2/56/7, annex.

[15] World Trade Organization, document WT/MIN(05)/DEC. Available from http://docsonline.wto.org.

[16] World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

would constitute arbitrary or unjustifiable use of non-tariff measures, non-trade barriers or other standards to unfairly restrict access of developing countries' products, reaffirms in this regard that developing countries should play an increasing role in the formulation of, inter alia, safety, environmental and health standards, and recognizes the need to facilitate the increased and meaningful participation of developing countries in the work of relevant international standard-setting organizations;

12. *Calls for* capacity-building support by the relevant international organizations and by developed countries, encourages the private sector, in the context of corporate responsibility and accountability as well as responsible business practices, to enable developing countries to put in place measures that are appropriate and necessary for meeting market requirements and standards, inter alia, quality control standards, and invites the relevant intergovernmental organizations to establish procedures for elaborating product and process standards that take into account the interests and capabilities of developing countries without jeopardizing the legitimate objective for developed as well as developing countries of protecting human, animal and plant life or health consistent with the General Agreement on Tariffs and Trade and the relevant agreements of the World Trade Organization;

13. *Invites* international financial organizations, other donors and the United Nations Conference on Trade and Development to revisit the operational modalities of international commodity, as well as to consider finance and risk management facilities and programmes;

14. *Stresses* that technical assistance and capacity-building aimed at improving the competitiveness of commodity producers is particularly important, and urges the donor community to increase resources for commodity-specific, financial and technical assistance, in particular for human and institutional capacity-building, as well as infrastructure development of developing countries, with a view to reducing their institutional bottlenecks and transaction costs and enhancing their commodity trade and development in accordance with national development plans;

15. *Emphasizes* the importance of official development assistance for agriculture and rural development, and in this regard calls upon the donor community to reinforce its assistance in those sectors, and to increase its financial and technical support for activities aimed at addressing commodity issues, in particular the needs and problems of commodity-dependent developing countries;

16. *Invites* developing countries, in cooperation with developed countries and relevant international organizations, to establish medium- and long-term commodity development programmes geared towards enhancing research for product diversification and improving the production, productivity, value addition and competitiveness of developing countries' commodities;

17. *Underlines* the need to strengthen the Common Fund for Commodities, and encourages it, in cooperation with the International Trade Centre UNCTAD/WTO, the United Nations Conference on Trade and Development and other relevant bodies, to continue to strengthen the activities covered by its Second Account in developing countries with its supply chain concept of improving access to markets and reliability of supply, enhancing diversification and addition of value, improving the competitiveness of commodities, strengthening the market chain, improving market structures, broadening the export base and ensuring the effective participation of all stakeholders;

18. *Calls upon* developed countries, the United Nations Conference on Trade and Development and other relevant international organizations to support training and awareness-building programmes on the functioning of commodity exchanges and their use, in a development-oriented manner, in supporting and enabling small farmers and in supporting capacity-building programmes in developing countries in accordance with national development plans;

19. *Reiterates* the role of the United Nations Conference on Trade and Development in addressing commodities issues in a comprehensive way in accordance with relevant General Assembly resolutions and the provisions of the São Paulo Consensus, adopted by the Conference at its eleventh session,[17] and in this regard calls upon the donor community to provide the resources required to enable the Conference to undertake these activities;

20. *Expresses concern* that the International Task Force on Commodities launched at the eleventh session of the United Nations Conference on Trade and Development has not yet entered into force, and calls upon interested stakeholders to provide voluntary financial support for the timely establishment of the Task Force;

21. *Requests* the Secretary-General, in collaboration with the Secretariat of the United Nations Conference on Trade and Development, to submit a report with recommendations on the implementation of the present resolution and to report on world commodity trends and prospects to the General Assembly at its sixty-third session;

22. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "Commodities".

83rd plenary meeting
20 December 2006

[17] TD/412, part II.